SITE PERMIT

ISSUED TO

GREAT RIVER ENERGY, INC.

FOR THE

ST. BONIFACIUS PEAKING STATION

EQB DOCKET NO. 02-34-PPS-GRE

In accordance with the requirements of Minnesota Statutes § 116C.575 and Interim Guidance to Minnesota Rules, Chapter 4400, adopted by the EQB on October 18, 2001, this Site Permit is hereby issued to:

GREAT RIVER ENERGY

Great River Energy (GRE) is authorized to install an inlet air cooling system and to operate its existing St. Bonifacius peaking plant in Carver County, Minnesota, to a maximum of 74 Megawatts by changing the unit loading control settings.

Dated: August 15, 2002

STATE OF MINNESOTA
ENVIRONMENTAL QUALITY BOARD

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Gene Hugoson

EQB Docket Number 02-34-PPS-GRE
Great River Energy
St. Bonifacius Peaking Station

I. SITE PERMIT

This Site Permit authorizes Great River Energy (GRE) to install an inlet air cooling system and operate its existing St. Bonifacius peaking plant to a maximum of 74 megawatts by changing the unit loading control settings.

II. PROJECT DESCRIPTION

The St. Bonifacius peaking station is located on a 19-acre site at the intersection of State Highway 7 and County Road 10 in Watertown Township, Carver County, Minnesota (Township 117 North, Range 25 West in the North ½ of the Northwest ¼ of Section 34). The facility consists of two simple-cycle combustion turbines, a generator, a fuel oil storage tank, fuel transfer equipment, fire protection equipment, a transformer, electrical conductors and a control house.

The structure housing the turbine-generator, including ancillary equipment, is approximately 103 feet long and 23 feet wide. Except for the two air intakes and the two exhaust outlets, the turbine-generator is approximately 10 feet tall. The intake ducts measure 11 feet square and are approximately 20 feet in height. The exhaust outlets measure 11 feet square and are approximately 50 feet in height.

There are two unit load control methods (i.e., one based on measuring electrical generation and the other based measuring the exhaust temperature) currently utilized at the St. Bonifacius peaking station to ensure that the station operates at no more then 50 megawatts (MW)

On March 1, 2002, GRE submitted to the Minnesota Environmental Quality Board (EQB) a site permit application regarding an upgrade of the Saint Bonifacius peaking station. The upgrade would increase the maximum generating output from 50 MW to approximately 74 MW.

GRE is proposing to install an inlet air-cooling system and to make two changes to the unit load control settings. The inlet air-cooling will enable the station to operate at higher capacity on summer days by effectively cooling the inlet air to the turbine. The inlet air-cooling assembly consists of a self contained system (i.e., pumps, motors, PLC control unit, water filtration, injection nozzles) housed in a five foot by eight foot skid-mounted enclosure, resulting in minimal construction activities.

III. CONDITIONS

The following conditions shall apply to all phases of construction, operation, maintenance, and abandonment of the large electric power generating plant (LEPGP). The EQB preserves all

available remedies for violation of any of these Permit conditions, including revocation or modification of the Permit.

a. Construction

The Permittee shall construct and operate the LEPGP as described in the "Site Permit Application for the Upgrade of Great River Energy's St. Bonifacius Peaking Station".

b. Expansions and Modifications

If the Permittee should desire to make any modifications in the LEPGP not authorized under this Permit, the Permittee shall proceed in accordance with the applicable provisions of the Power Plant Siting Act, Minnesota Statutes Section 116C.51 – 116C.69, and the applicable provisions of Minnesota Rules Chapter 4400.

c. Transfer of Ownership

If the Permittee should desire an amendment in any provision of this Permit, including a request to transfer ownership of the Permit to another person or entity, the Permittee shall proceed in accordance with the applicable provisions of the Power Plant Siting Act, Minnesota Statutes Section 116C.51 – 116C.69, and the applicable provisions of Minnesota Rules Chapter 4400.

d. Federal and State Laws

Nothing in this Permit shall be construed to relieve the Permittee from compliance with any federal or state law or regulation.

e. Severability

The provisions of this Permit are severable, and if any provision of this Permit, or the application of any provisions of this Permit to any circumstance, is held invalid, the application of such provision to other circumstances and the remainder of this Permit shall not be affected.